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5 Attorney for Debtor-in-Possession
Mr. Tortilla, Inc.

7 UNITED STATES BANKRUPTCY COURT
8 CENTRAL DISTRICT OF CALIFORNIA
9 SAN FERNANDO VALLEY DIVISION

11 In re

Case No.: 1:24-bk-10228-VK

12 MR. TORTILLA, INC.,

Chapter 11

13 Debtor-in-Possession.

14 **DECLARATION OF ANTHONY
ALCAZAR IN SUPPORT OF
DEBTOR'S MOTION FOR ORDER
AUTHORIZING CONTINUED USE
OF CASH COLLATERAL PURSUANT
TO 11 U.S.C. § 363**

15 Date: May 30, 2024

16 Time: 1:30 p.m.

17 Place: Courtroom 301
21041 Burbank Blvd. Suite 354
18 Woodland Hills, CA 91367

20

21 **TO THE HONORABLE VICTORIA S. KAUFMAN, JUDGE OF THE**
22 **UNITED STATES BANKRUPTCY COURT, TO THE UNITED STATES**
23 **TRUSTEE AND TO ALL INTERESTED PARTIES AND THEIR ATTORNEYS**
24 **OF RECORD:**

DECLARATION OF ANTHONY ALCAZAR

J. Anthony Alcazar, declare and state as follows:

1. I am the President and Director of Mr. Tortilla, Inc., the Debtor and Debtor-in-Possession (the "Debtor"). I am over the age of 18. I have personal knowledge of the facts I state below, and if I were to be called as a witness, I could and would competently testify about what I have written in this declaration.

2. On February 14, 2024 (the “Petition Date”), the Debtor commenced the Chapter 11 Case by filing a voluntary petition under chapter 11 of the Bankruptcy Code. The Debtor operates its business and manage its property as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No official committee of unsecured creditors has been appointed in the Case.

3. On May 9, 2024, Debtor filed its Motion for Order Authorizing Continued Use of Cash Collateral (“Continued Cash Collateral Motion”) [docket no. 166].

4. Debtor's revised budget in support of the Continued Cash Collateral Motion is attached hereto as Exhibit-1. This revised budget updates and replaces the budget attached to the Continued Cash Collateral Motion.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration is executed on May 13, 2024 at San Fernando, California.

Anthony Alcazar

EXHIBIT 1

Projected Income and Expenses - Mr. Tortilla, Inc.

	May-24	Jun-24	Jul-24	Aug-24	Comments
Income					
Amazon FBA Inventory Credit	\$4,271.45	\$4,442.31	\$4,620.00	\$4,804.81	
Amazon Gift wrap credits	\$3.60	\$3.74	\$3.89	\$4.05	
Amazon Promotional Rebate Refunds	\$615.92	\$640.56	\$666.18	\$692.83	
Amazon Sales - CAD	\$67,320.00	\$67,656.60	\$67,994.88	\$68,334.86	
Amazon Sales - DE	\$0.00	\$0.00	\$0.00	\$0.00	
Amazon Sales - UK	\$0.00	\$0.00	\$0.00	\$0.00	
Amazon Sales - US	\$2,564.28	\$2,615.57	\$2,667.88	\$2,721.23	
Amazon Sales - Vendor US	\$143,643.54	\$145,079.98	\$146,530.78	\$147,996.08	
Amazon Shipping Credits	\$60.20	\$62.60	\$65.11	\$67.71	
eBay Sales	\$139.24	\$144.81	\$150.61	\$156.63	
Other Sales	\$122,708.84	\$132,525.55	\$143,127.59	\$154,577.80	
Sales Tax	\$974.49	\$1,013.47	\$1,054.01	\$1,096.17	
Shopify Promotional Discounts	-\$37,180.55	-\$37,552.36	-\$37,927.88	-\$38,307.16	
Shopify Sales	\$132,787.68	\$134,115.56	\$135,456.71	\$136,811.28	
Shopify Shipping	\$1,652.19	\$1,718.28	\$1,787.01	\$1,858.49	
Walmart Sales	\$5,850.12	\$6,084.13	\$6,327.49	\$6,580.59	
Gross Income	\$445,411.01	\$458,550.80	\$472,524.27	\$487,395.37	
Expenses					
Amazon Adjustments	\$164.16	\$165.57	\$166.98	\$168.41	
Amazon Carrier shipping label adjustments	\$111.36	\$112.49	\$113.64	\$114.80	
Amazon Cost of Advertising	\$12,811.67	\$12,921.13	\$14,117.58	\$14,238.39	
Amazon FBA inventory and inbound services fees	\$854.68	\$859.43	\$864.20	\$869.01	
Amazon FBA product sale refunds	\$447.81	\$450.29	\$452.79	\$455.31	
Amazon FBA selling fees	\$3,913.36	\$3,935.08	\$3,956.95	\$3,978.98	
Amazon FBA transaction fees	\$8,608.16	\$8,655.94	\$8,704.05	\$8,752.50	
Amazon Promotional Rebates	\$15,993.44	\$16,082.21	\$17,171.60	\$17,261.62	
Amazon Refund administration fees	\$89.50	\$90.00	\$90.50	\$91.00	Since our projected sales has reduced, our expenses also reduce
Amazon Seller fulfilled selling fees	\$5,049.12	\$5,077.15	\$5,105.37	\$5,133.79	
Amazon Service fees	\$2,591.89	\$2,606.28	\$2,620.77	\$2,635.35	
Amazon Shipping credit refunds	\$46.03	\$46.28	\$46.54	\$46.80	
Amazon Shipping label purchases	\$1,751.86	\$1,761.58	\$1,771.37	\$1,781.23	
Amazon Vendor Base Co-Op	\$17,237.22	\$17,409.60	\$17,583.69	\$17,759.53	
Amazon Vendor Damage Allowance	\$2,872.87	\$2,901.60	\$2,930.62	\$2,959.92	
Amazon Vendor Marketing Expense	\$6,278.61	\$6,466.96	\$6,660.97	\$6,860.80	
Amazon Vendor Pick Up Allowance	\$4,309.31	\$4,352.40	\$4,395.92	\$4,439.88	
Raw Materials	\$75,719.87	\$77,953.64	\$80,329.13	\$82,857.21	
Payroll	\$105,829.66	\$108,951.67	\$112,271.77	\$115,805.14	
Insider Compensation - Anthony Alcazar	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	
Insider Compensation - Ronald Alcazar	\$8,800.00	\$8,800.00	\$8,800.00	\$8,800.00	

Insider Compensation - Tony Alcazar	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	
Ebay Fees	\$87.20	\$89.81	\$92.51	\$95.28	
PayPal Fees	\$11.55	\$11.89	\$12.25	\$12.62	
Sales Tax Expense	\$1,032.25	\$1,063.22	\$1,095.12	\$1,127.97	
Shipping, Freight & Delivery	\$40,977.81	\$42,186.67	\$43,472.23	\$44,840.37	
Shopify Fees	\$2,527.93	\$2,578.48	\$2,681.62	\$2,788.89	
Shopify Refunds	\$1,365.67	\$1,420.30	\$1,477.11	\$1,536.19	Since our projected sales has reduced, our expenses also reduce
Walmart Fulfillment Services	\$746.51	\$768.91	\$791.98	\$815.74	
Walmart Adjustments	\$10.03	\$10.33	\$10.64	\$10.96	
Walmart Commission	\$519.52	\$535.11	\$551.16	\$567.69	
Walmart Refunds	\$47.25	\$48.67	\$50.13	\$51.63	
Auto Expense	\$763.85	\$786.76	\$810.37	\$834.68	
Car Lease	\$3,450.00	\$2,160.00	\$2,160.00	\$2,160.00	We have reduced our monthly payments for leased vehicles
Insurance	\$3,234.58	\$3,234.58	\$3,234.58	\$3,234.58	
Machinery Lease Expense	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	
Repair & Maintenance	\$2,121.80	\$2,185.45	\$2,251.02	\$2,318.55	
Outside Sales	\$13,100.00	\$13,100.00	\$13,100.00	\$13,100.00	
Bank Charges & Fees	\$1,060.90	\$1,092.73	\$1,125.51	\$1,159.27	
Facebook Advertising	\$17,816.44	\$18,342.03	\$18,900.97	\$19,495.81	The issues in unblocking our Ecommerce Channels have resulted in less funds available to marketing than anticipated
Google Advertising					
Licenses & Fees	\$3,362.10	\$3,462.96	\$3,566.85	\$3,673.85	
Marketing Expenses	\$5,325.45	\$5,485.21	\$5,649.77	\$5,819.26	Since our projected sales has reduced, this expense also reduces
Moving & Storage	\$309.89	\$319.19	\$328.77	\$338.63	
Office Expenses	\$3,394.88	\$3,496.73	\$3,601.63	\$3,709.68	
Equipment Rental	\$900.00	\$900.00	\$900.00	\$900.00	We have reduced our equipment rental expense
1112 Arroyo St. Unit A	\$7,775.00	\$7,986.00	\$7,986.00	\$7,986.00	
1112 Arroyo St. Unit B	\$4,029.00	\$4,143.00	\$4,143.00	\$4,143.00	
1110 Arroyo St. Office	\$2,287.50	\$2,287.50			
1104 Arroyo St.	\$7,589.00	\$7,589.00	\$7,589.00	\$7,589.00	
Software Subscription License	\$1,558.99	\$1,605.76	\$1,653.93	\$1,703.55	
Travel	\$1,131.59	\$1,165.54	\$1,200.51	\$1,236.52	
Trade Shows	\$10,500.00	\$10,500.00	\$10,500.00	\$10,500.00	
Utilities	\$3,251.64	\$3,349.19	\$3,449.67	\$3,553.16	Since our projected sales has reduced, this expense also reduces
U.S. Small Business Administration (SBA)	\$1,237.00	\$1,237.00	\$1,237.00	\$1,237.00	
Adequate Protection Payments to Amazon Capital Services, Inc.	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	
Deborah Tyrell (Bookkeeping Services)- For Preparation of MOR	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	
Amazon US Seller Account Payments	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	
Amazon Canada Seller Account Payments for pre-petition Amazon Fees	\$1,600.00	\$1,600.00			
Law Offices of Michael Jay Berger (general bankruptcy counsel) - subject to court approval		\$30,000.00			This payment brings our Net Income Negative for the month
Office of the U.S. Trustee - Quarterly Fees (estimated)			\$8,473.59		
Total Expenses	\$443,105.90	\$480,841.31	\$466,751.32	\$468,049.57	
Net Income	\$2,305.11	-\$22,290.51	\$5,772.94	\$19,345.80	

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 9454 Wilshire Blvd., 6th Fl., Beverly Hills, CA 90212

A true and correct copy of the foregoing document entitled (*specify*): **DECLARATION OF ANTHONY ALCAZAR IN SUPPORT OF DEBTOR'S MOTION FOR ORDER AUTHORIZING CONTINUED USE OF CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) 5/13/2024, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On 5/13/2024, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on 5/13/2024, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Honorable Victoria Kaufman
United States Bankruptcy Court
Central District of California
21041 Burbank Boulevard, Suite 354 / Courtroom 301
Woodland Hills, CA 91367

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

<u>5/13/2024</u> <i>Date</i>	<u>Peter Garza</u> <i>Printed Name</i>	<u>/s/Peter Garza</u> <i>Signature</i>
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1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

Counsel for Debtor: Michael Jay Berger michael.berger@bankruptcypower.com, yathida.nipha@bankruptcypower.com; michael.berger@ecf.inforuptcy.com

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U.S. Trustee: Katherine Bunker kate.bunker@usdoj.gov

Counsel for Sand Park: Brian T Corrigan bcorrigan@cormorllp.com, scm@cormorllp.com

Counsel for Spartan Business Solutions: Anthony F. Giuliano afg@glpcny.com

Counsel for 8fig Inc.: John E Johnson jjohnson@padfieldstout.com

Counsel for Dekirmenjian Family Trust: Bret D Lewis Bretlewis@aol.com, bdlawyager@gmail.com

Interested Party: Matthew D. Resnik Matt@rhmfirm.com, roksana@rhmfirm.com; rosario@rhmfirm.com; sloan@rhmfirm.com; priscilla@rhmfirm.com; rebecca@rhmfirm.com; david@rhmfirm.com; susie@rhmfirm.com; max@rhmfirm.com; russ@rhmfirm.com

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United States Trustee (SV) ustpregion16.wh.ecf@usdoj.gov

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Official Committee of Unsecured Creditors Jeffery D Hermann jhermann@orrick.com, casestream@ecf.courtdrive.com

Counsel for Blue Bridge: Jeffrey Garfinkle jgarfinkle@buchalter.com, docket@buchalter.com; lverstegen@buchalter.com

2. SERVED BY UNITED STATES MAIL

U.S. Trustee:

Katherine Bunker

915 Wilshire Blvd., Ste. 1850

Los Angeles, CA 90017

SECURED CREDITORS:

8Fig, Inc.
11801 Domain Blvd, Third Floor
Austin, TX 78758

8Fig, Inc.
1717 W. 6th Street, Suite 335
Austin, TX 78703

Amazon Capital Services, Inc.
c/o K&L Gates LLP
One SW Columbia St. Ste. 1900
Portland, OR 97204

Amazon Capital Services
PO Box 84837
Seattle, WA 98124-6137

Amazon Capital Services, Inc.
410 Terry Ave. N.
Seattle, WA 98109

Amazon Capital Services, Inc.
c/o Davis Wright Tremaine LLP
Attn: Lauren Dorsett, Esq.
A 920 5th Avenue, Suite 330
Seattle, WA 98104-1610

Blue Bridge Financial, Inc.
11921 Freedom Drive, Suite 1130
Reston, VA 20190 (Address from POC)

Bluevine
30 Montgomery Street, Ste 1400
Jersey City, NJ 07302

Cedar Advance
2917 Avenue I
Brooklyn, NY 11210

Cedar Advance
c/o Corrigan & Morris LLP
100 Wilshire Blvd., Ste. 700
Santa Monica, CA 90401

Corporation Service Company
As Representative
PO Box 2576
Springfield, IL 62708

CT Corporation Service Company
as Representative
PO Box 2576
Springfield, IL 62708

Fasanara Securitisation S.A. Acting
For and On Behalf of Its Compartmen
36-38 Grand-RUE
Grand Duchy of Luxembourg
Grand Duchy of Luxembourg 1660

Financial Pacific Leasing, Inc.
PO Box 4568
Auburn, WA 98001

Financial Pacific Leasing, Inc.
3455 S 344th Way #300
Auburn, WA 98001-9546

First Corporate Solutions
as Representative
914 S. Street
Sacramento, CA 95811

Huntington Valley Bank
990 Spring Garden Street 700
Philadelphia, PA 19123

Huntington Valley Bank
First Citizen Square
15 South Main Street
Mansfield, PA 16933-1590

Mercury Capital
27702 Crown Valley Pkwy
Bldg D4 #205
Ladera Ranch, CA 92694

Metropolitan Capital Bank & Trust
9 East Ontario Street
Chicago, IL 60611

Parkside Funding Group LLC
865 Nj-33 Business 3 Unit 192
Freehold, NJ 07728

Partners Personnel
Management Services, LLC
3820 State Street, Ste B
Santa Barbara, CA 93105

Robert Reiser and Company
725 Dedham Street
Canton, MA 02021

Sand Park Capital LLC
c/o Corrigan & Morris LLP
5401 Collins Ave, Ste. Cu-9A
Miami, FL 33140

Sand Park Capital LLC
c/o Corrigan & Morris LLP
Attn: Brian T. Corrigan
1425 Foothills Village Dr.
Henderson, NV 89012

Sellers Funding
45 N. Broad Street, Suite 100
Ridgewood, NJ 07450

Shopify Capital
100 Shockoe Slip, 2nd Floor
Richmond, VA 23219

Slope Advance
7 Freelon Street
San Francisco, CA 94107

Spartan Capital
371 E Main St, Suite 2
Middletown, NY 10940

Stor RB One Limited
14 Old Queen Street
London, UK SW1H9HP GBR

U.S. Small Business Administration
10737 Gateway West, #300
El Paso, TX 79935

U.S. Small Business Administration
c/o Elan S. Levey
300 N. Los Angeles Street
Fed. Bldg. Rm. 7516
Los Angeles, CA 90012

CREDITORS COMMITTEE:

Simpler Postage, Inc. (dba EasyPost)
2889 Ashton Boulevard, Ste. 325
Lehi, UT 84043

Jeeves
c/o Alexander Grimwood
2035 S. Sunset Lake Rd., Ste. B-2
Newark, DE 19702

Orrick
c/o Herrington & Sutcliffe LLP
Brandon Batzel, Esq.
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New York, NY 10019-6142

20 LARGEST UNSECURED CREDITORS:

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Los Angeles, CA 90067

Internal Revenue Service
P O Box 7346
Philadelphia, PA 19101-7346

Lyneer Staffing
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Trenton, NJ 08638

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2261 Market Street, #4106
San Francisco, CA 94114

Ramp
28 West 23rd Street, Floor 2
Washington, DC 20020

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Newark, DE 19702

Southern California Edison
2244 Walnut Grove Avenue
Rosemead, CA 91770

UPS
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We Pack It All
2745 Huntington Drive
Duarte, CA 91010

Rapid Fulfillment LLC
12924 Piernce Street
Pacoima, CA 91331

Frisbi
1267 57th Street, Ground Floor
Brooklyn, NY 11219

Taboola
Hatkoff & Minassian
16 Madison Square West, 7th Floor
New York, NY 10010

MINTN
823 Congress Avenue, #1827
Austin, TX 78768

Perpetua
36 Maplewood Avenue
Portsmouth, NH 03801

Uline
12575 Uline Drive, H1
Pleasant Prairie, WI 53158 (Address from POC)

Bakers Authority
59-21 Queens Midtown Expy
Maspeth, NY 11378

Attentive Mobile
221 River Street, Suite 9047
Hoboken, NJ 07030 (Address from POC)

ADDITIONAL CREDITORS:

ArcBest, Inc.
3801 Old Greenwood Rd.
Fort Smith, AR 72901 (Address from POC)

Old Dominion Freight Line, Inc.
c/o Rusty Frazier, Asset Recovery Analyst
500 Old Dminion Way
Thomasville, NC 27360 (Address from POC)

TikTok Inc
5800 Bristol Pkwy, Ste. 100
Culver City, CA 90230 (Address from POC)

Pawnee Leasing Corp.
3801 Automation Way, Ste. 207
Fort Collins, CA 80525 (Address from POC)

KT LA/KT LA
c/o The Law Offices of Gary A. Bemis
3870 La Sierra Ave., Ste. 239
Riverside, CA 92505 (Address from POC)